

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST

Schedule 13 Change Request for FY 08-09 Budget Request Cycle											
Request Title:		Decision Item FY 08-09 <input checked="" type="checkbox"/>	Base Reduction Item FY 08-09		Supplemental FY 07-08		Budget Request Amendment FY 08-09				
Department:		Health Care Policy and Financing		Dept. Approval by:		John Bartholomew <i>JB</i>		Date: November 1, 2007			
Priority Number:		DI-7		OSPb Approval:		<i>h mg</i>		Date: 10/17/07 for 11/1/07			
	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	16,456,965	17,755,055	0	17,755,055	19,884,683	488,048	20,372,731	0	20,372,731	494,672
	FTE	225.4	245.3	0.0	245.3	259.5	7.3	266.8	0.0	266.8	8.0
	GF	6,641,302	7,756,051	0	7,756,051	8,254,995	269,735	8,524,730	0	8,524,730	275,114
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	154,890	0	154,890	216,481	0	216,481	0	216,481	0
	CFE	407,157	607,032	0	607,032	2,148,288	(51,420)	2,096,868	0	2,096,868	(65,555)
	FF	9,408,606	9,237,082	0	9,237,082	9,264,919	269,733	9,534,652	0	9,534,652	275,113
(1) Executive Director's Office, Personal Services	Total	15,260,951	16,715,590	0	16,715,590	18,860,743	413,855	19,274,598	0	19,274,598	450,948
	FTE	225.4	245.3	0.0	245.3	259.5	7.3	266.8	0.0	266.8	8.0
	GF	6,054,845	7,261,822	0	7,261,822	7,768,653	230,263	7,998,916	0	7,998,916	250,839
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	140,495	0	140,495	212,681	0	212,681	0	212,681	0
	CFE	399,006	592,486	0	592,486	2,121,195	(46,670)	2,074,525	0	2,074,525	(50,729)
	FF	8,807,100	8,720,787	0	8,720,787	8,758,214	230,262	8,988,476	0	8,988,476	250,838
(1) Executive Director's Office, Operating Expenses	Total	1,196,014	1,039,465	0	1,039,465	1,023,940	74,193	1,098,133	0	1,098,133	43,724
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	586,457	494,229	0	494,229	486,342	39,472	525,814	0	525,814	24,275
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	14,395	0	14,395	3,800	0	3,800	0	3,800	0
	CFE	8,151	14,546	0	14,546	27,093	(4,750)	22,343	0	22,343	(4,826)
	FF	601,406	516,295	0	516,295	506,705	39,471	546,176	0	546,176	24,275
Letternote revised text:											
Cash Fund name/number, Federal Fund Grant name: CFE source is the Old Age Pension Fund appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution. FF: Title XIX											
IT Request: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No											
Request Affects Other Departments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, List Other Departments Here: Department of Human Services											

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	DI-7
Change Request Title:	Additional FTE to Restore Department Efficiency and Functionality

SELECT ONE (click on box):

- ☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for 7.3 additional base-building FTE, equivalent to 8.0 FTE annualized, needed to restore efficiency and functionality to Department programs. The requested FTE would enable the Department to be proactive in its efforts to meet strategic plan objectives, ensure high quality health care is delivered in the most cost-effective manner possible, and improve customer satisfaction with programs, services and care. Since the budget-cut years of FY 02-03 and FY 03-04, the Department has experienced a significant staffing shortage. Recent gap analysis confirms that the number of FTE in several critical program areas is below minimum productivity thresholds. This lack of sufficient staff resources has necessitated a shift in focus from exceeding standards to meeting minimum requirements, and has contributed to a decrease in the Department's customer service ratings and in the effectiveness of affected programs.

Background and Appropriation History:

The budget-cut years of FY 02-03 and FY 03-04 did not allow the Department to request necessary additional FTE as its responsibilities grew. Following these years, existing staff absorbed steadily increasing workloads with overtime on a routine basis, and project delays grew common. Due to the statewide shortage of General Fund dollars available, the

Department made a concerted effort to be sparing in its requests for needed FTE, and resisted making requests to create new FTE for the additional workload. Since that time, the Department has experienced substantial turnover and prolonged position vacancies. Analysis of employee exit interview data shows a majority of turnover is attributed to rising stress levels, more work than can be accomplished, a lowered sense of staff morale, and erosion of institutional knowledge and experience at the Department. In addition, assessments by former Medicaid directors from Oregon and Texas, and consultants from the National Governors Association conclude that the Department has a significant staff shortage which is a growing detriment to its operations. The Department is unable to keep pace with the incessant requests for information it receives from a variety of sources, and Department staffs are continually preoccupied with reacting to arising issues and crises. As a result, it has become impossible for the Department's existing FTE and supervisory staff to plan ahead or be proactive in their respective program areas.

To address some of these issues in FY 07-08, the Department's Executive Director expanded the leadership roles of two key positions held by existing FTE in FY 06-07:

- The Privacy and Public Policy Division Director (Management) position was upgraded to Client and Community Relations Office Director (Senior Executive Service) and
- the Medical Assistance Office Contract Administrator (General Professional IV) position was upgraded to Legal Division Director (Management).

In addition, Executive Director Joan Henneberry has made Department productivity and efficiency analysis a top and ongoing priority. While the Department will absorb the incremental salary increases for the two position changes described above in FY 07-08, it has identified a critical need for 7.3 additional FTE beginning in FY 08-09 to restore core functionality and efficiency to its programs.

General Description of Request:

This request is for total funds of \$488,048 and 7.3 FTE in FY 08-09, equivalent to 8.0 annualized FTE, to restore staff productivity and stability at the Department. Only sections with considerable need for additional FTE, as described below, are included in this

request. This request also includes a reduction of 1.0 FTE Accountant II in the Old Age Pension State Medical Program due to infeasibility of establishing a stand-alone drug rebate program.

Agency Administration and Operations Office

1.0 FTE Eligibility Determination Monitor (General Professional III)

Currently, the Department employs 3.0 FTE in its Medicaid Eligibility Quality Control unit, consisting of one team lead and two staff. The purpose of this unit is to review Medicaid eligibility determinations and ensure compliance with federal and State eligibility rules and procedures. This unit assesses the accuracy and timeliness of eligibility determinations to avoid inappropriate payments and client determination delays, and advises State and county administrators and medical assistance site personnel of review findings through individual case reports and project summary reports. In addition, this unit recommends ways to improve the accuracy and timeliness of eligibility determinations. Given the number and complexity of reviews, reports, and recommendations made by this unit, the current number of FTE is insufficient and the Department has fallen behind. This was documented in a June 19, 2007 letter from the Centers for Medicare and Medicaid Services, which noted that the Medicaid Eligibility Quality Control unit is understaffed and insufficient to meet the maintenance of effort required. To restore this unit's ability to function effectively and remain compliant with federal requirements, the Department requests an additional 1.0 FTE Eligibility Determination Monitor.

Budget Division

1.0 FTE Budget Analyst - Other Medicaid-Funded Agencies (Budget Analyst I)

An additional 1.0 FTE Budget Analyst I is needed in the Budget Division to assist with oversight of 26 budget lines, totaling \$409,838,377, that provide Medicaid funding to three other State agencies: the Department of Human Services, the Department of Public Health and Environment, and the Department of Regulatory Agencies (November 1, 2007 FY 08-09 Budget Request). Currently, the Department has 1.0 FTE Budget Analyst III responsible for monitoring expenditures, allowable charges, and compliance with State and

federally mandated program changes for each of these 26 programs. As a result, this position only has time to perform high-level analysis of each one. There is very little time to delve into each line item and understand whether or not the program is being administered in accordance with State and federal law and offering the services required by State and federal authorities. In addition, two of these 26 budget lines absorb most of the existing Budget Analyst's time: Colorado Benefits Management System and Developmental Disability Services. Monitoring the Colorado Benefits Management System budget line is complex and dynamic due to the number of eligibility and processing changes required by State and federal agencies. The Developmental Disability Services budget line is equally complex because the State's facilities for developmental disabilities have undergone substantial changes over the past two years. These changes include unbundling of rates, development of more accurate billing methodologies, conversion of regional centers into intermediate care facilities for the mentally retarded, and a number of other federally mandated changes.

The requested 1.0 FTE Budget Analyst I is also needed to assist with analysis and monitoring of other budget line items that currently need more scrutiny than they are receiving as a result of staffing shortages and high turnover in the Department's Budget Division. For example, assistance is needed to better monitor and report on Department expenditures for County Administration, Old Age Pension State Medical Program, and Medicare Modernization Act of 2003 State Contribution Payment. With an additional 1.0 FTE in the Budget Division, the Department would be able to conduct more thorough and detailed analysis of these expenditures on a regular basis, and cover knowledge gaps created by a persistent loss of Budget Division staff over the last several years.

Client and Community Relations Office

2.0 FTE Customer Support Interns

The Customer Service section exists to provide a single focal point within the Department for communications with clients, providers, and the general public. The Department currently has 6.0 FTE in this section to answer questions, address problems, assist callers in navigating the health care system, and inform clients of program features, benefits and

options. To perform these functions well, Customer Service staff must be highly trained and knowledgeable about all facets of Department programs. In addition, a sufficient number of FTE are needed to answer calls at a rate of about 1,500 calls each per month.

Over the last two years, high turnover and new-hire rates have caused a significant portion of this section's FTE to remain in various stages of training. This has had the effect of continually suppressing the number of calls that can be answered as experienced staff slow down to train newer staff. In turn, this causes higher call abandonment rates and a repeating cycle of customer dissatisfaction, more incoming calls, more frustrated staff and turnover, and once again, decreased call answering capacity. Research completed in 2006 on similar customer service entities outside the Department shows that the Department answers a lower percentage of calls, has higher abandonment rates, greater wait times, and fewer FTE per calls received than comparative call centers (Table 1). In addition, call data from calendar year 2006 show the number of calls increasing, with a total of 179,712 calls received; of which, 68,201 or 38% were unanswered.

The Customer Service section is a critical part of the Department's infrastructure, and its understaffing problem needs to be resolved. To improve call answering rates, decrease turnover, and increase the experience level and longevity of staff in the Customer Service section, an additional 2.0 FTE Customer Support Interns are needed. This would enable the Department to break its current cycle of insufficient staff support and turnover, and do a better job serving clients, providers, and the general public.

Table 1 - Customer Service Call Center Data Analysis					
	Department of Revenue	Department of Health Care Policy and Financing	HealthColorado	Affiliated Computer Services - Children's Health Plan Plus	Affiliated Computer Services - Provider Services
	CY 2005	CY 2005	SFY 05-06	SFY 05-06	CY 2005
Total Calls Received	379,729	141,252	74,021	178,854	156,462
Total Calls Answered	272,448	96,830	71,235	167,319	140,145
Total Calls Abandoned	107,281	44,422	2,786	11,535	16,317
% Total Calls Answered	70.20%	67.39%	96.24%	94.00%	89.57%
% Total Calls Abandoned	28.25%	32.61%	3.76%	6.29%	10.43%
Average Length of Call	3:46	3:32	3:08	4:23	3:49
Call Center Staff	16	6	6	15	13
Daily Hours of Service	7.5 Hours	8 hours	8 hours	10 hours	8 hours

1.0 FTE Business Analysis Statistical Analyst (Statistical Analyst II)

The Business Analysis section performs most of the Department's data analysis, including work on fiscal notes, accounting reconciliations, change requests, audits, disease management and quality improvement efforts, programmatic reporting, waiver cost effectiveness submissions, external data research requests and ad hoc analysis. In recent years, the Business Analysis section has become increasingly unable to keep pace with the demand for analysis and reports from managers and staff. The Department relies heavily on this section for support in making policy and program decisions. While the original charge of the section was to handle requests from the Medical Assistance Office, its purview has expanded to supporting the entire Department as well as researching external requests. In particular, both the Budget Division and the Quality Improvement section request large quantities of data for analysis on a regular basis, and these requests are typically complex. This has caused a large number of projects to be delayed and

reprioritized, and this is compounded as incoming requests exceed the section's capacity to respond. To alleviate these problems and improve the quality and timeliness of business analysis reports, an additional 1.0 FTE Statistical Analyst II position is needed.

3.0 FTE External Training Unit - Program Eligibility and Implementation Division

Various staffs within the Department currently provide limited training on program, policy and operations issues. The eligibility policy unit receives the most requests for training, primarily from counties; but also receives requests from community resource centers and other stakeholders. The Department is unable, however, to accommodate more than a fraction of the training requests it receives. Although the Colorado Benefits Management System is designed to provide uniformity and standardization to the eligibility determination process and diminish variation at the county level, this has not yet happened to a large extent. Questions related to the interpretation and implementation of policy changes, new federal requirements, and State laws drive a constant stream of training needs at the county level. To manage these training needs in the most cost-efficient manner possible, the Department typically holds four or five training sessions per year at various conferences throughout the State. For many who need Medicaid training, it is not possible to take advantage of the limited number and location of trainings offered by the Department in a given year. As a result, county technicians and others involved with the Department's programs often lack a current, complete or accurate understanding of Medicaid policy issues, including the basic requirements for Medicaid eligibility, the new citizenship and identity documentation requirements, or how specific assets are to be treated for eligibility purposes.

Creation of an external training unit in the Program Eligibility and Implementation Division would enable the Department to provide focused training to counties, community resources centers, and other stakeholders where needed. This training unit would assist the existing 1.0 FTE County Oversight Liaison, as well as relieve the burden on various Department staff to react to client eligibility issues and other problems caused by a lack of training. The external training unit would consist of 1.0 FTE Training Coordinator (General Professional V) plus 2.0 FTE Trainers (General Professional IV). It would function similarly to training units currently employed by other agencies with high levels of

community interaction and large, diverse groups of stakeholders. The new unit would provide training more frequently, more consistently, and at more locations throughout the State than the Department can currently provide. In addition, this training unit would have the ability to hold regular trainings in areas that the Department does not currently have the funds to reach, including public trainings to external partners.

The additional 1.0 FTE Training Coordinator (General Professional V) would be based primarily in the Metro Denver area and would have oversight of all training materials. This includes development of training curricula, testing presentations for clarity, and overseeing the format design of all training resources. The position would provide policy and operations training for Medicaid, Children's Basic Health Plan, and the Colorado Indigent Care Program to county personnel, medical assistance sites, providers, community resource centers, stakeholders and advocates for the Metro Denver area. The position would represent the Department to many external parties and supervise the additional 2.0 FTE Trainers requested. In addition, 2.0 FTE Trainers (General Professional IV) are needed to train county personnel, medical assistance sites, providers, community resource centers, and advocates located in the Western Slope, Mountains, Front Range and Eastern Plains regions. Due to the extensive travel requirements and supplies needed for this new external training unit, an additional \$40,000 in total funds for Operating Expenses is requested.

1.0 FTE Website Administrator (Information Technology Professional III)

Feedback from stakeholders, clients, providers and staff indicates that the Department's website is problematic. It is hard to use, takes too long to find information and does not consistently include current or accurate information. In addition, the State Internet Portal Authority has noted that not all of the links are functional. Currently, the Department does not employ a dedicated website administrator. Instead, website updates are posted during the spare time of 1.0 FTE in the Information Technology Division who is primarily responsible for database administration and technical support. Because the Department's website must be a reliable and complete source of information for the public, an additional 1.0 FTE Website Administrator is requested in the Information Technology Division.

To address the Department's website issues, Executive Director Joan Henneberry created a website task force in April 2007 to conduct a thorough needs-based analysis and provide recommendations for website redesign. One of the task force recommendations is to enhance the Department's website to transition it from a research oriented site to a more client and provider friendly tool with options to download data and reports. To accomplish these objectives, the Department needs a dedicated 1.0 FTE Website Administrator to develop the website format, coordinate with program staff for content, migrate information into the new site, establish approval and posting procedures, conduct ongoing evaluations, and coordinate with the host service provider. This position would also be responsible for quality assurance, organizing informational needs and updates from various sections, and for conducting user surveys. In addition, this position is needed to remain current on relevant federal and State regulations and compliance. For example, Title VI of the Civil Rights Act of 1964 requires client portions of the Department's website to be translated into Spanish. The requested FTE is needed to coordinate the translation of all client-related content placed on the site. Finally, this position would ensure that necessary changes are made to the secure web portal and be a resource to the web portal contract manager.

Eliminate 1.0 FTE Accountant II in the Old Age Pension State Medical Program

In FY 05-06 the Department received an appropriation for 0.25 FTE Accountant II, with continuation funding for 1.0 FTE in FY 06-07 and FY 07-08, to establish a stand-alone drug rebate program in the Old Age Pension State Medical Program (S-11, BA-4 "Funding to Establish an Old Age Pension State Medical Program Drug Rebate Program," January 3, 2006). The source of funding for this FTE is a Cash Funds Exempt transfer from the Department of Human Services' Old Age Pension Fund.

Prior to hiring the appropriated FTE, the Department procured a contractor to assist with internal research and planning to determine the feasibility of the proposed drug rebate program. A contractor was selected in lieu of hiring the FTE to avoid potential layoffs in case the program did not demonstrate sufficient feasibility. The total cost of the contractor was \$10,040 in FY 06-07, and was paid using Cash Funds Exempt from its Personal

Services appropriation. The study was completed in FY 06-07, and results concluded that the program would not be cost-effective for the State of Colorado.

Research was conducted in seven other states, including Alaska, California, Maryland, Minnesota, New Mexico, Virginia, and Washington to determine the success of stand-alone pharmaceutical assistance programs. The research objectives were to find out if any of these states had implemented a stand-alone drug rebate program, and if so, what the results were, whether the state was using a vendor for any or all of the services, and what staffing level was required to support the program. Of these seven states, only Minnesota has a stand-alone program for a population similar to Colorado's Old Age Pension State Medical Program. While Minnesota's program has resulted in savings of approximately 8%, its limited success is attributed to higher utilization rates than achieved in Colorado and to program-specific negotiation alternatives. In Minnesota, it is agreed that if manufacturers do not provide rebates to the program, the program does not cover any costs for those drugs. Also, in order for Colorado to succeed in getting pharmacies and manufacturers to participate in a stand-alone drug rebate program, the program would have to increase pharmacy reimbursement rates from the current rate of 70% to 100% of the Medicaid reimbursement rate. Therefore, savings from the program would have to exceed the cost of this 30% reimbursement rate increase (estimated to be approximately \$2.1 million), plus cover the rebate program's operating costs. Colorado's Old Age Pension State Medical Program, however, does not have a sufficient number of participating clients to support the required funding needs for such a program.

As a result, the Department requests elimination of 1.0 FTE Accountant II in the Old Age Pension State Medical Program. Since the funding for this FTE is a cash funds exempt transfer from the Department of Human Services' Old Age Pension Fund, this reduction in FTE would have no fiscal impact on General Fund or federal funds. Rather, the moneys for this FTE would remain in the Department of Human Services' Old Age Pension Fund for expenditure elsewhere under the program.

Consequences if Not Funded:

If an additional 8.0 annualized FTE are not appropriated, the Department's existing staff would continue to absorb excess workload. Productivity levels would likely decrease, leading to more project delays, staff frustration and turnover. If the surplus workload continues to be carried by an already extended staff, the Department may lose even more institutional knowledge and experience than it has to date, making it increasingly difficult to attract and retain employees who are dedicated and focused on their jobs. These consequences would ultimately weaken the Department's ability to be proactive in fulfilling its mission and the Ritter administration's "Colorado Promise." In addition, it is likely that fewer clients, providers and stakeholders would receive the levels of customer service and support that they expect and deserve.

Calculations for Request:

Table 2 - Summary of Request FY 08-09					
	Total Funds	General Fund	Cash Funds Exempt*	Federal Funds	FTE
Total Request	\$488,048	\$269,735	(\$51,420)	\$269,733	7.3
(1) Executive Director's Office, Personal Services	\$413,855	\$230,263	(\$46,670)	\$230,262	7.3
(1) Executive Director's Office, Operating Expenses	\$74,193	\$39,472	(\$4,750)	\$39,471	-

**Cash Funds Exempt source is the Old Age Pension Fund appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution.*

Table 3 – Summary of Request FY 09-10					
	Total Funds	General Fund	Cash Funds Exempt*	Federal Funds	FTE
Total Request	\$494,672	\$275,114	(\$55,555)	\$275,113	8.0
(1) Executive Director's Office, Personal Services	\$450,948	\$250,839	(\$50,729)	\$250,838	8.0
(1) Executive Director's Office, Operating Expenses	\$43,724	\$24,275	(\$4,826)	\$24,275	-

**Cash Funds Exempt source is the Old Age Pension Fund appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution.*

Table 4 - Personal Services and Operating Expenses by Position Title and Fiscal Year							
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES		Eligibility Determination Monitor (General Professional III)		Budget Analyst - Other Medicaid-Funded Agencies (Budget Analyst I)		Customer Support Intern	
Number of PERSONS / class title		1.0	1.0	1.0	1.0	2.0	2.0
Calculated FTE per classification		0.9	1.0	0.9	1.0	1.8	2.0
Estimated annual base salary	\$	44,736	-	43,452	-	35,160	-
Number months working in FY 08-09 and FY 09-10*		11	12	11	12	11	12
Salary		\$41,157	\$44,736	\$39,976	\$43,452	\$64,343	\$70,320
PERA	10.15%	\$4,177	\$4,541	\$4,058	\$4,410	\$6,531	\$7,137
AED	1.60%	\$659	\$716	\$640	\$695	\$1,029	\$1,125
SAED	0.50%	\$206	\$224	\$200	\$217	\$322	\$352
FICA	1.45%	\$597	\$649	\$580	\$630	\$933	\$1,020
Subtotal Personal Services		\$46,796	\$50,866	\$45,454	\$49,404	\$73,158	\$79,954
OPERATING							
Supplies @ \$500/\$500	\$ 500	\$460	\$500	\$460	\$500	\$915	\$1,000
Computer @ \$900/\$0	\$ 900	\$900	\$0	\$900	\$0	\$1,800	\$0
Office Suite Software @ \$330/\$0	\$ 330	\$330	\$0	\$330	\$0	\$660	\$0
Office Equipment @ \$2,225/\$0	\$ 2,225	\$2,225	\$0	\$2,225	\$0	\$4,450	\$0
Telephone Base \$450/\$450	\$ 450	\$414	\$450	\$414	\$450	\$824	\$900
Travel Expenses for External Training Unit		\$0	\$0	\$0	\$0	\$0	\$0
Printing and Postage for Drug Rebate Program		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Operating		\$4,329	\$950	\$4,329	\$950	\$8,649	\$1,900
GRAND TOTAL ALL COSTS		\$51,125	\$51,816	\$49,783	\$50,354	\$81,807	\$81,854
*Each FTE would work 12 months per fiscal year. Due to the pay date shift, however, only 11 months of pay were estimated in FY 08-09.							

Table 4 (continued) - Personal Services and Operating Expenses by Position Title and Fiscal Year							
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES		Business Analysis Statistical Analyst (Statistical Analyst II)		Program Eligibility Training Coordinator (General Professional V)		Program Eligibility Trainer (General Professional IV)	
Number of PERSONS / class title		1.0	1.0	1.0	1.0	2.0	2.0
Calculated FTE per classification		0.9	1.0	0.9	1.0	1.8	2.0
Estimated annual base salary	\$	53,688	-	62,952	-	54,360	-
Number months working in FY 08-09 and FY 09-10*		11	12	11	12	11	12
Salary		\$49,393	\$53,688	\$57,916	\$62,952	\$99,479	\$108,720
PERA	10.15%	\$5,013	\$5,449	\$5,878	\$6,390	\$10,097	\$11,035
AED	1.60%	\$790	\$859	\$927	\$1,007	\$1,592	\$1,740
SAED	0.50%	\$247	\$268	\$290	\$315	\$497	\$544
FICA	1.45%	\$716	\$778	\$840	\$913	\$1,442	\$1,576
Subtotal Personal Services		\$56,159	\$61,042	\$65,851	\$71,577	\$113,107	\$123,615
OPERATING							
Supplies @ \$500/\$500	\$ 500	\$460	\$500	\$460	\$500	\$915	\$1,000
Computer @ \$900/\$0	\$ 900	\$900	\$0	\$900	\$0	\$1,800	\$0
Office Suite Software @ \$330/\$0	\$ 330	\$330	\$0	\$330	\$0	\$660	\$0
Office Equipment @ \$2,225/\$0	\$ 2,225	\$2,225	\$0	\$2,225	\$0	\$4,450	\$0
Telephone Base \$450/\$450	\$ 450	\$414	\$450	\$414	\$450	\$824	\$900
Travel Expenses for External Training Unit		\$0	\$0	\$13,333	\$13,333	\$26,667	\$26,667
Printing and Postage for Drug Rebate Program		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Operating		\$4,329	\$950	\$17,662	\$14,283	\$35,316	\$28,567
GRAND TOTAL ALL COSTS		\$60,488	\$61,992	\$83,513	\$85,860	\$148,423	\$152,182
*Each FTE would work 12 months per fiscal year. Due to the pay date shift, however, only 11 months of pay were estimated in FY 08-09.							

Table 4 (continued) - Personal Services and Operating Expenses by Position Title and Fiscal Year							
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 08-09	FY 09-10	FY 08-09	FY 09-10
PERSONAL SERVICES							
		Website Administrator (Information Technology Professional III)		Drug Rebate Program Specialist (Accountant II)			
Number of PERSONS / class title		1.0	1.0	1.0	1.0	GRAND TOTAL	
Calculated FTE per classification		0.9	1.0	-0.9	-1.0	7.3	8.0
Estimated annual base salary	\$	57,360	-	44,616	-	-	-
Number months working in FY 08-09 and FY 09-10*		11	12	-11	-12	-	-
Salary		\$52,771	\$57,360	(\$41,047)	(\$44,616)	\$363,988	\$396,612
PERA	10.15%	\$5,356	\$5,822	(\$4,166)	(\$4,529)	\$36,944	\$40,255
AED	1.60%	\$844	\$918	(\$657)	(\$714)	\$5,824	\$6,346
SAED	0.50%	\$264	\$287	(\$205)	(\$223)	\$1,821	\$1,984
FICA	1.45%	\$765	\$832	(\$595)	(\$647)	\$5,278	\$5,751
Subtotal Personal Services		\$60,000	\$65,219	(\$46,670)	(\$50,729)	\$413,855	\$450,948
OPERATING							
Supplies @ \$500/\$500	\$ 500	\$460	\$500	(\$460)	(\$500)	\$3,670	\$4,000
Computer @ \$900/\$0	\$ 900	\$900	\$0	\$0	\$0	\$8,100	\$0
Office Suite Software @ \$330/\$0	\$ 330	\$330	\$0	\$0	\$0	\$2,970	\$0
Office Equipment @ \$2,225/\$0	\$ 2,225	\$2,225	\$0	\$0	\$0	\$20,025	\$0
Telephone Base \$450/\$450	\$ 450	\$414	\$450	(\$414)	(\$450)	\$3,304	\$3,600
Travel Expenses for External Training Unit		\$0	\$0	\$0	\$0	\$40,000	\$40,000
Printing and Postage for Drug Rebate Program		\$0	\$0	(\$3,876)	(\$3,876)	(\$3,876)	(\$3,876)
Subtotal Operating		\$4,329	\$950	(\$4,750)	(\$4,826)	\$74,193	\$43,724
GRAND TOTAL ALL COSTS		\$64,329	\$66,169	(\$51,420)	(\$55,555)	\$488,048	\$494,672
*Each FTE would work 12 months per fiscal year. Due to the pay date shift, however, only 11 months of pay were estimated in FY 08-09.							

Assumptions for Calculations:

In calculating the cost for additional FTE, the Department based salary estimates on range minimums for the position classes published by the Department of Personnel and Administration. The Department also added common policy percentages of 10.15% for Public Employees' Retirement Association contribution, 1.6% for Amortization Equalization Disbursement, 0.5% for Supplemental Amortization Equalization Disbursement, and 1.45% for Federal Insurance Contributions Act tax. In addition, to account for the pay date shift, only 11 months of pay were estimated for each FTE in FY 08-09.

Operating expenses for the first year of employment were based on common policy amounts of \$500 for supplies, \$900 for a computer, \$330 for Microsoft Office suite software, \$2,225 for office equipment, and \$450 for telephone. Subsequent year operating expenses were assumed to include \$500 for supplies plus \$450 for telephone. In addition, the Department assumed the new external training unit would require \$40,000 per year in Operating Expenses due to the extensive travel and training supplies needed. Operating Expenses for the requested elimination of the 1.0 FTE Accountant II Drug Rebate Program Specialist were further reduced by \$3,876 in cash funds exempt to account for funds appropriated to this position for printing and postage.

Cost Benefit Analysis:

Cost	Benefits
\$488,048	The requested 8.0 FTE, annualized, would bring significant gains to various Department programs by increasing the number of projects completed on time, and enabling staff to focus more on quality than is possible with the current staff shortage. In addition, the new external training unit would increase knowledge and understanding among county personnel, medical assistance sites, providers, community resource centers and other stakeholders about Department programs, procedures and requirements. In addition, an improved website would facilitate public access to and understanding of Department programs and services. Additional customer support staff would improve customer satisfaction ratings, reduce the high rate of abandoned calls, and alleviate staff frustration resulting in turnover. The requested additional FTE would enable the Department to be proactive in exceeding expectations, and increase overall productivity and efficiency through better teamwork and higher staff morale.

Statutory and Federal Authority:

24-50-101 et. seq., C.R.S. (2007) State Personnel System Act. ... (1) ... *It is the purpose of this article and the personnel rules adopted pursuant to this article to provide a sound, comprehensive, and uniform system of personnel management and administration for the employees within the state personnel system. ... (3) (a) It is the purpose of the state personnel system, as a merit system, to assure that a qualified and competent work force is serving the residents of Colorado and that any person has an equal opportunity to apply and compete for state employment. ...*

24-50-104 (1) (a), C.R.S. (2007) Job evaluation and compensation, total compensation philosophy. ... (1) *It is the policy of the state to provide prevailing total compensation to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent work force. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, performance awards, incentives, premium pay practices, and leave.*

24-1-107, C.R.S. (2007) Internal organization of department - allocation and reallocation of powers, duties, and functions - limitations. ... *In order to promote economic and efficient administration and operation of a principal department and notwithstanding any other provisions of law, ... the head of a principal department, with the approval of the governor, may establish, combine, or abolish divisions, sections, and units other than those specifically created by law and may allocate and reallocate powers, duties, and functions to divisions, sections, and units under the principal department, but no substantive function vested by law in any officer, department, institution, or other agency within the principal department shall be removed from the jurisdiction of such officer, department, institution, or other agency under the provisions of this section.*

25.5-1-104, C.R.S. (2007) Department of health care policy and financing created - executive director - powers, duties, and functions....(2) *The department of health care policy and financing shall consist of an executive director of the department of health care policy and financing, the medical services board, and such divisions, sections, and other units as shall be established by the executive director pursuant to the provisions of subsection (3) of this section. (3) The executive director may establish such divisions,*

sections, and other units within the state department as are necessary for the proper and efficient discharge of the powers, duties, and functions of the state department; except that such action by the executive director shall not conflict with the implementation requirements for the plan for restructuring the delivery of health and human services in this state...(4) The department of health care policy and financing shall be responsible for the administration of the functions and programs as set forth in this title.

Performance Measures:

Additional FTE would enhance the Department's ability to achieve the following performance measures outlined in the FY 08-09 Strategic Plan:

- Improve access to and the quality of Medicaid health care as demonstrated through improvements in Medicaid Health plan scores on Health Plan Employer Data Information Set (HEDIS) measures.
- Survey customer satisfaction with managed care using the Consumer Assessment of Health Plans Survey (CAHPS).
- Maintain or reduce the difference between the Department's spending authority and actual expenditures for Medicaid services.